

## OTHER DUTIES OF THE HIGHER EDUCATION COMMITTEE - BACKGROUND MEMORANDUM

In addition to the study responsibilities assigned to the Higher Education Committee for the 2017-18 interim, the committee has been assigned the following responsibilities:

- Receive a biennial report from the University of North Dakota (UND) School of Medicine and Health Sciences Advisory Council pursuant to North Dakota Century Code Section 15-52-04 regarding the strategic plan, programs, and facilities of the school.
- Receive annual reports from the State Board of Higher Education pursuant to Section 15-10-59 regarding North Dakota academic scholarships and career and technical education scholarships.
- Receive reports from any tribally controlled community college receiving a grant under Chapter 15-70 detailing grant expenditures and recipient demographics.
- Receive a report from the State Board of Higher Education pursuant to Section 33 of 2017 Senate Bill No. 2003 regarding the status of efforts to collaborate with Minnesota entities for research network purposes.
- Receive a report from the State Board of Higher Education pursuant to Section 37 of Senate Bill No. 2003 regarding the status of inconsistencies in employee classifications and human resources reporting, employee leave policies, practices for awarding tuition waivers, and practices regarding the charging of student fees, including policies and procedures being developed to address the inconsistencies.
- Receive a report from the State Board of Higher Education pursuant to Section 38 of Senate Bill No. 2003 regarding the total number of employee positions reduced at each institution, the number of administrative positions reduced at each institution, and whether any former administrative staff employees are still employed by the institution at a different position.

### UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES ADVISORY COUNCIL

Section 15-52-04 ([Appendix A](#)) provides the Legislative Council receive a biennial report from the UND School of Medicine and Health Sciences Advisory Council. The report is to provide recommendations regarding the strategic plan, programs, and facilities of the school. Recommendations for implementing strategies through the school must address the health care needs of the people of the state and provide information regarding the state's health care workforce needs. Additionally, recommendations of the advisory council may address the areas of medical education and training, recruitment and retention of health care professionals, factors influencing the practice environment of health care professionals, access to health care, patient safety, quality of health care, and financial challenges in the delivery of health care.

The UND School of Medicine and Health Sciences Advisory Council consists of 16 members, including a majority party member and minority party member from both the Senate and House of Representatives. Other members to the advisory council are selected by the Department of Human Services, the State Board of Higher Education, the State Department of Health, the North Dakota Medical Association, the North Dakota Hospital Association, the Department of Veterans' Affairs hospital in Fargo, the North Dakota Center for Nursing, the UND Center for Rural Health, and the Dean of the School of Medicine and Health Sciences.

### NORTH DAKOTA CAREER AND TECHNICAL EDUCATION SCHOLARSHIPS AND ACADEMIC SCHOLARSHIPS

The 2009 Legislative Assembly enacted legislation to create the career and technical education and academic scholarship programs. The legislation established eligibility criteria for the scholarship programs in Chapter 15.1-21, and the criteria were subsequently adjusted by the Legislative Assembly in 2011, 2013, 2015, and 2017. The current eligibility requirements provide a student must be a resident of the state and meet the following program requirements for one of the programs as follows:

Career and Technical Education Scholarship	Academic Scholarship
Complete four units of English language arts	Complete four units of English language arts
Complete three units of mathematics, including one unit of Algebra II and two units of other mathematics	Complete one unit of Algebra II and one unit of mathematics for which Algebra II is a prerequisite
Complete three units of science	Complete three units of science
	Complete three units of social studies

Complete one unit of physical education or one-half unit of physical education and one-half unit of health	Complete one unit of physical education or one-half unit of physical education and one-half unit of health
Complete two units of a coordinated study plan as recommended by the Department of Career and Technical Education	Complete two units of the same foreign language, the same Native American language, American sign language, or career and technical education from a coordinated study plan approved by the Superintendent of Public Instruction
Complete one unit selected from foreign language, Native American language, American sign language, fine arts, or career and technical education	Complete one unit selected from foreign language, Native American language, American sign language, fine arts, or career and technical education
Complete five additional units, two of which must be in the area of career and technical education	Complete any five additional units
Obtain a cumulative grade point average of at least 3.0 on a 4.0 grading scale for all courses taken or only for courses taken that are required for the scholarship	Obtain a cumulative grade point average of at least 3.0 on a 4.0 grading scale for all courses taken or only for courses taken that are required for the scholarship
Obtain a grade of at least "C" in each unit or one-half unit required for the scholarship	Obtain a grade of at least "C" in each unit or one-half unit required for the scholarship
Receive a composite score of at least 24 on the ACT or a score of at least five on each of three WorkKeys assessments	Receive a composite score of at least 24 on the ACT
	Fulfill one unit required for the scholarship through an advanced placement course or fulfill one-half unit required for the scholarship through a dual-credit course

In 2017 the Legislative Assembly adjusted the criteria to continue receiving a scholarship under the program to require recipients maintain progress toward degree completion. For determining eligibility, progress toward degree completion means earning the following minimum number of credits after each semester or quarter term disbursement to qualify for the subsequent disbursement:

- 24 credits after disbursement number two;
- 39 credits after disbursement number three;
- 54 credits after disbursement number four;
- 69 credits after disbursement number five;
- 84 credits after disbursement number six; and
- 99 credits after disbursement number seven.

Any student who meets the requirements for a career and technical education scholarship or an academic scholarship is eligible to receive a scholarship of \$750 per semester, or \$500 per quarter, for each period the student is enrolled full-time at a North Dakota higher education institution and maintains eligibility up to a maximum amount of \$6,000. Scholarships may be provided to students for up to 6 years following the student's graduation from high school. A student may continue to receive a scholarship if the student is enrolled in a graduate program and has not received the lifetime maximum amount of scholarship awards.

The 2017-19 biennium legislative appropriation provides \$12,016,749 from the general fund for the program, a decrease of \$1,117,347 from the 2015-17 biennium adjusted legislative appropriation. Section 15-10-59 ([Appendix B](#)) requires the State Board of Higher Education to provide an annual report to the Legislative Management regarding the number of North Dakota academic and career and technical education scholarships awarded and demographic information pertaining to the recipients.

### **GRANTS TO TRIBALLY CONTROLLED COMMUNITY COLLEGES**

Chapter 15-70 ([Appendix C](#)) creates an assistance program for tribally controlled community colleges located in the state. Funding is to be distributed to the tribally controlled community colleges to defray the costs of education associated with the enrollment of nonbeneficiary students.

In order to qualify for a grant, a qualified institution must submit an application to the State Board of Higher Education that documents the enrollment status of each student for whom financial assistance is sought. If an application is approved, the State Board of Higher Education is to distribute an annual payment to the institution for each nonbeneficiary student enrolled at the institution. The amount of payment is to be equal to the per-student payment provided to institutions under the federal Tribally Controlled Colleges and Universities Assistance Act of 1978 or a prorated amount if funding is limited.

Each tribal college receiving a grant under Chapter 15-70 is to submit a report to the Legislative Council detailing the expenditures of the grant funds received by the institution. Additionally, each college is to submit a copy of the institution's latest audit report and documentation of the enrollment status of each student for whom financial assistance is requested. Any institution that fails to meet the reporting requirements is ineligible to receive future grants until the required information is submitted.

The table below details legislative appropriations for grants to tribally controlled community colleges.

	General Fund	Permanent Oil Tax Trust Fund	Student Loan Trust Fund
2007-09 biennium		\$700,000	
2009-11 biennium		\$700,000	
2011-13 biennium	\$1,000,000		
2013-15 biennium	\$1,000,000		
2015-17 biennium - Adjusted	\$467,250		\$500,000
2017-19 biennium	\$100,000		\$500,000

## RESEARCH NETWORK COLLABORATION WITH MINNESOTA ENTITIES

Section 33 of Senate Bill No. 2003 ([Appendix D](#)) requires the State Board of Higher Education to provide a report regarding the status of efforts to collaborate with Minnesota entities for research network purposes. Currently, the North Dakota University System utilizes the Northern Tier Network to collaborate with other states for research network purposes.

### Northern Tier Network

The Northern Tier Network is an ultra high-speed regional network that supports research and education across Alaska, Idaho, Iowa, Michigan, Minnesota, Montana, Nebraska, North Dakota, South Dakota, Washington, Wisconsin, and Wyoming. In North Dakota, this high-speed network depends upon the state's government and education network for institutional connectivity and is operated through contracts with private telecommunications companies such as AT&T and Midcontinent Communications and higher education service providers, such as Broadband Optical Research, Education and Sciences Network.

Planning for the Northern Tier Network began in 2003. One-time funding provided for the North Dakota portion of the network included \$3.25 million in federal funds, \$2.77 million in state funding, and \$2.1 million from the National Science Foundation. In addition, the Northern Tier Network Consortium members of Wisconsin, Minnesota, North Dakota, Montana, and Washington were partners in a \$62.5 million grant. Funding for North Dakota's continued participation in the Northern Tier Network has been included in the University System's budget. In the 2015-17 biennium, Northern Tier Network costs totaled \$2.36 million.

## DATA INCONSISTENCIES

Section 37 of 2017 Senate Bill No. 2003 ([Appendix E](#)) requires the State Board of Higher Education to provide a report regarding the status of inconsistencies in employee classifications and human resources reporting, employee leave policies, practices for awarding tuition waivers, and practices regarding the charging of student fees, including policies and procedures being developed to address the inconsistencies.

Section 42 of 2015 House Bill No. 1003 ([Appendix F](#)) required the State Board of Higher Education to evaluate the following data inconsistency issues at institutions and entities under its control and develop policies and procedures to correct the inconsistencies:

1. Lack of integration of personal and demographic information among computer systems;
2. Lack of use of standard chart of accounts for financial reporting and standard department budget table deduction and tax override flags;
3. Absence of standard business processes for recording mandatory fees and for changing payroll funding source information;
4. Inconsistent methods and procedures at institutions for recording high school completions, identifying student cohorts for reporting purposes, and classifying agency funds;
5. Inconsistent practices and policies at institutions for awarding tuition waivers, admitting students, using purchasing cards, charging tuition and fees, and accruing of faculty sick leave;
6. Inconsistent coding and naming for bad debt expense and journal entries;
7. Use of shadow accounting systems for reporting purposes; and

8. Inconsistent definitions for a distance education student, a resident student for tuition purposes, and a full-time student for federal tax purposes.

The State Board of Higher Education reported to the Appropriations Committees of the 65<sup>th</sup> Legislative Assembly regarding the status of the inconsistencies.

### EMPLOYEE POSITION REDUCTIONS

Section 38 of Senate Bill No. 2003 ([Appendix G](#)) requires the State Board of Higher Education to provide a report regarding the total number of employee positions reduced at each institution, the number of administrative positions reduced at each institution, and whether any former administrative staff employees are still employed by the institution at a different position.

In response to the 2015-17 biennium general fund budget reductions approved by the Legislative Assembly during the August 2016 special legislative session and the 90 percent 2017-19 biennium budgets requested by Governor Dalrymple, the University System identified the following full-time equivalent (FTE) position reductions:

Institution/Agency	2015-17 Biennium FTE Positions Appropriated	FTE Reductions		Other FTE Adjustments <sup>1</sup>	2017-19 Biennium FTE Positions Appropriated
		Faculty	Nonfaculty		
University System office	104.39		(19.00)	64.01	149.40
Bismarck State College	133.53	(10.00)	(9.00)	243.82	358.35
Lake Region State College	50.19	(2.50)	(7.50)	89.42	129.61
Williston State College	49.96	(12.50)	(7.40)	70.69	100.75
UND	630.20	(89.50)	(74.00)	1,751.37	2,218.07
UND School of Medicine and Health Sciences	184.58	(14.00)	(14.00)	279.17	435.75
North Dakota State University	537.10	(69.90)	(25.10)	1,453.56	1,895.66
North Dakota State College of Science	168.30	(6.00)	(31.00)	213.74	345.04
Dickinson State University	120.26	(27.24)	(27.26)	103.14	168.90
Mayville State University	66.23	(7.00)	(3.33)	154.63	210.53
Minot State University	204.10	(15.50)	(8.70)	261.75	441.65
Valley City State University	105.59	(5.16)	(9.10)	111.42	202.75
Dakota College at Bottineau	46.96	(3.00)	(5.50)	45.84	84.30
Forest Service	28.96		(2.00)	0.04	27.00
<b>Total</b>	<b>2,430.35</b>	<b>(262.30)</b>	<b>(242.89)</b>	<b>4,842.60</b>	<b>6,767.76</b>

<sup>1</sup>These adjustments include the recognition of nongeneral fund FTE positions, which were not recognized prior to the 2017-19 biennium.

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